



SUMMARY RECORD OF THE 32nd MEETING

Chairman: Mr. OKEYO (Kenya)

Chairman of the Advisory Committee on Administrative and
Budgetary Questions: Mr. MSELLE

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AGENDA ITEM 122: UNITED NATIONS COMMON SYSTEM (continued)

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The meeting was called to order at 10.40 a.m.

AGENDA ITEM 122: UNITED NATIONS COMMON SYSTEM (continued) (A/43/30 and Corr.1; A/C.5/43/12, 21 and 26)

1. The SECRETARY-GENERAL, speaking as Chairman of the Administrative Committee on Co-ordination (ACC), emphasized the particular importance which ACC attached to the General Assembly's request that the International Civil Service Commission (ICSC) should undertake a comprehensive review of the conditions of service of staff in the Professional and higher categories. The organizations of the United Nations system must have staff of the highest calibre in order to carry out the broad range of activities and programmes expected of them by Member States.
2. Unfortunately, during the last few years, there had been so much erosion in the remuneration of the common system that it was becoming more and more difficult to attract and retain staff with the appropriate professional expertise. The practice of some Member States of making supplementary payments to staff members who were their nationals underlined the inadequacy of the remuneration package. ACC deplored that practice and urged that it should be discontinued.
3. The current salary system was something of an anachronism. It had been designed at a time of relative economic stability and had worked well for many years. However, as a result of economic disequilibrium and currency fluctuations, it had now become increasingly complex and difficult to maintain. It was therefore essential to rebuild a competitive remuneration system which would, first of all, enable organizations to attract, motivate and retain highly qualified staff from all countries. Secondly, it should provide for equitable remuneration for staff at all duty stations in the United Nations system and adequate compensation for expatriation and hardship postings. Thirdly, it should enhance productivity through increased recognition of merit.
4. In order to assist ICSC, ACC had commissioned a study by a consulting firm specializing in international compensation systems. The study contained a number of innovative proposals which had largely been incorporated in the options presented to the Fifth Committee. While no viable alternative should be excluded, ACC suggested that particular attention should be paid to the options which would bring about changes in the existing system, especially in relation to the choice of comparator, the remuneration system, and mobility and hardship incentives. With regard to the choice of comparator, ACC firmly believed that, while the Noblemaire principle should be maintained as the corner-stone of the common system, the private sector and expatriate benefits should also be taken into account.
5. The remuneration system must be made more responsive and more easily understandable. The consequences of the recent erosion of the United Nations remuneration package had been particularly acute at field duty stations, where the salaries of the United Nations system had gradually become less competitive in comparison to those of bilateral and other multilateral assistance programmes. Similarly, changes and innovative approaches were needed in relation to mobility

(The Secretary-General)

and hardship incentives. While some steps had been taken, the current package was still not sufficient to compensate for the additional expenses and disruptions faced by staff members and their families who were required to relocate periodically from one duty station to another, or to serve at hardship duty stations. ACC was committed to continue to work energetically with the Commission on those matters.

6. The Committee's 1972 decision to establish an International Civil Service Commission of experts independent of executive heads, staff associations and Governments, but accountable to the General Assembly, had been a bold and imaginative move which ACC had encouraged and continued to support. The institution was sound, and should be preserved. However, in recent years ACC, like others, had been critical of certain developments which had affected the Commission's work. In the view of ACC, the Commission should remain an independent technical body, avoiding any attempt to inject political considerations into its work.

7. ACC was gravely concerned at the decision of the staff representatives to suspend participation in the work of ICSC. ACC attached the utmost importance to staff participation in forums dealing with conditions of service. It was essential for good management, as well as for the efficient functioning of the system. ACC considered that the breakdown in relations at a crucial stage in the history of the common system must be set right. At the same time, it was considering further ways to improve the procedures and consultative mechanisms for the appointment of members of ICSC, in order to restore confidence in all aspects of its work.

8. He drew the Committee's attention, finally, to the Commission's recommendations for increases in the education grant and dependency allowances and confirmed ACC's full support for them. ACC further urged that they should be acted on in 1988, in view of the delays which had occurred in the normal review cycle.

The meeting rose at 10.55 a.m.